

Explanation of Changes to Chapter 13 Plan for Eastern District of Missouri Bankruptcy Court

Below are the changes to the Chapter 13 Plan for the Eastern District of Missouri Bankruptcy Court that will become effective on December 1, 2019. The changed provisions of the plan are shown in redline form. A copy of the Chapter 13 Plan can be found on the Court's website in .pdf, .doc, and .wpd formats. This plan is intended for use only in those cases filed on or after December 1, 2019.

Paragraph 3.3:

When a plan provides for the Trustee to make payments on a debt that will continue after the plan, and the plan does not complete (due to lack of feasibility, failure to turn over tax refunds or other payments, etc), it is unclear who should make the monthly payments due after the end of the plan duration. The language added to this paragraph addresses this problem.

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3.3 **Pay the following sub-paragraphs concurrently:** (Payments to be made by the Trustee under this paragraph shall cease when the proof of claim has been paid in full, the Chapter 13 plan has completed, or the Court so orders.)

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Paragraph 3.5(A) and (B):

The language added 3.5(A) and 3.5(B) already appears in paragraph 3.5(C). This change is intended to eliminate the need to object to plans if the attorney fails to fill in the repayment period. The language was not added to paragraph 3.5(D), because in this paragraph the interest rate and repayment period are on the same line. It is unlikely an attorney would fill in the interest rate and not the repayment period so that simply setting a default repayment period would not eliminate an objection.

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3.5 **Pay the following sub-paragraphs concurrently:**

(A) **Pre-petition arrears on secured claims paid in paragraph 3.3.** Pay pre-petition arrearage on debts paid under paragraphs 3.3(C) or (D) in equal monthly installments over the period set forth below and with the interest rate identified below, estimated as follows. **If no period is set forth below for a claim to be paid under this paragraph, the claim will be paid over the lesser of the plan length or 48 months.**

CREDITOR NAME	TOTAL AMOUNT DUE	CURE PERIOD	INTEREST RATE
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(B) **Secured claims to be paid in full.** The following claims shall be paid in full in equal monthly payments over the period set forth below with ___% interest. **If no period is set forth below for a claim to be paid under this paragraph, the claim will be paid over the plan length.**

CREDITOR	EST BALANCE DUE	REPAY PERIOD	TOTAL w/ INTEREST
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Paragraph 3.9(B):

Paragraph 3.9(B) is changed to address two problems.

1. The Federal Rules of Bankruptcy Procedure requires a plan to contain a request for relief from stay if the plan surrenders collateral. Although our confirmation order grants relief, there is currently no request in the plan. This change brings our plan into compliance with the Federal Rules of Bankruptcy Procedure.
2. The current plan language is modified to avoid the need to object if a plan proposes to surrender collateral but fails to check one of the two boxes. With this change, the first option (the most common) is made the default option, and the second option only applies if the box is checked.

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3.9 **Pay the following sub-paragraphs concurrently:**

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(B) **Surrender of Collateral.** Debtor proposes to surrender the following collateral to the following creditor(s) **and requests that the Court grant the creditor relief from the stays under sections 11 U.S.C. 362 and 1301. Any deficiency shall be paid as non-priority unsecured debt, unless noted otherwise below.**

~~Any deficiency shall be paid as non-priority unsecured debt.~~

The Trustee shall stop payment on the creditor's claim until such time as the creditor files an amended claim showing the secured and unsecured deficiency (if any) still owed after sale of the surrendered collateral. (This paragraph shall not be effective unless the box is checked)

CREDITOR

COLLATERAL

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Paragraph 4.8:

The language in paragraph 4.8 is unnecessary for its intended purpose and was therefore removed to avoid confusion.

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4.8 ~~Any pledged credit union shares or certificates of deposit held by any bank shall be applied to the amount owed such claimant.~~ Title to Debtor's property shall re-vest in Debtor(s) upon confirmation.

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Part 6:

The Federal Rules of Bankruptcy Procedure require the Non-Standard Plan Provisions paragraph to be the last paragraph of the plan prior to the Certification. Therefore, the vesting language is moved to Paragraph 4.8, so that Part 5 of the plan will be the last section prior to the Certification.

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~~**Part 6. VESTING OF PROPERTY OF THE ESTATE**~~

~~6.1 Title to Debtor's property shall re-vest in Debtor(s) upon confirmation.~~

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4.8 ~~Any pledged credit union shares or certificates of deposit held by any bank shall be applied to the amount owed such claimant.~~ Title to Debtor's property shall re-vest in Debtor(s) upon confirmation.

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